

§221.23 Payment to A.I.D. of excess amounts received by a Noteholder.

If a Noteholder shall, as a result of A.I.D. paying compensation under this Guarantee, receive an excess payment, it shall refund the excess to A.I.D.

§221.24 Subrogation of A.I.D.

In the event of payment by A.I.D. to a Noteholder under this Guarantee, A.I.D. shall be subrogated to the extent of such payment to all of the rights of such Noteholder against the Borrower under the related Note.

Subpart D—Covenants**§221.31 Prosecution of claims.**

After payment by A.I.D. to an Applicant pursuant to §221.21, A.I.D. shall have exclusive power to prosecute all claims related to rights to receive payments under the Eligible Notes to which it is thereby subrogated. If a Noteholder continues to have an interest in the outstanding Eligible Notes, such a Noteholder and A.I.D. shall consult with each other with respect to their respective interests in such Eligible Notes and the manner of and responsibility for prosecuting claims.

§221.32 Change in agreements.

No Noteholder will consent to any change or waiver of any provision of any document contemplated by this Guarantee without the prior written consent of A.I.D.

Subpart E—Administration**§221.41 Arbitration.**

Any controversy or claim between A.I.D. and any noteholder arising out of this Guarantee shall be settled by arbitration to be held in Washington, DC in accordance with the then prevailing rules of the American Arbitration Association, and judgment on the award rendered by the arbitrators may be entered in any court of competent jurisdiction.

§221.42 Notice.

Any communication to A.I.D. pursuant to this Guarantee shall be in writing in the English language, shall refer to the Israel Loan Guarantee Number

inscribed on the Eligible Note and shall be complete on the day it shall be actually received by A.I.D. at the Office of Housing and Urban Programs, Bureau for Private Enterprise, Agency for International Development, Washington, DC 20523-0030. Other addresses may be substituted for the above upon the giving of notice of such substitution to each Noteholder by first class mail at the address set forth in the Note Register.

§221.43 Governing law.

This Guarantee shall be governed by and construed in accordance with the laws of the United States of America governing contracts and commercial transactions of the United States Government.

APPENDIX A TO PART 221—APPLICATION FOR COMPENSATION

[_____] Agency for International Development, International Development Cooperation Agency, Washington, DC 20523.
Ref: Guarantee dated as of _____, 19____.

Gentlemen:

You are hereby advised that payment of \$_____ (consisting of \$_____ of principal, \$_____ of interest and \$_____ in Further Guaranteed Payments, as defined in §221.01(f) of the Standard Terms and Conditions of the above-mentioned Guarantee) [(consisting of \$_____ maturity amount and \$_____ in Further Guaranteed Payments, as defined in §221.01(f) of the Standard Terms and Conditions of the above-mentioned Guarantee)]¹ was due on _____, 19____, on \$_____ principal [maturity]¹ amount of Notes held by the undersigned of the Government of Israel, on behalf of the State of Israel (the "Borrower"). Of such amount \$_____ was not received on such date and has not been received by the undersigned at the date hereof. In accordance with the terms and provisions of the above-mentioned Guarantee, the undersigned hereby applies, under §221.21 of said Guarantee, for payment of \$_____, representing \$_____, the principal amount of the presently outstanding Note(s) of the Borrower held by the undersigned that was due and payable on _____ and that remains unpaid, and \$_____, the interest amount on such Note(s) that was due and payable by the Borrower on _____ and that remains unpaid,

¹Alternate language for zero-coupon Eligible Notes.